

Government of Canada Securities

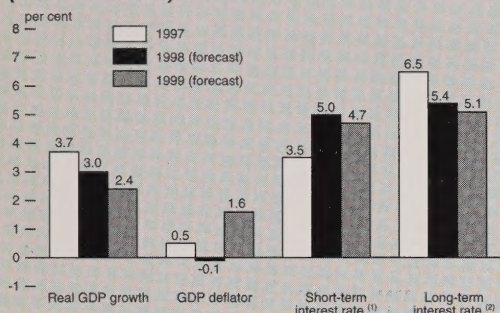
A Publication of the Department of Finance

March 1999

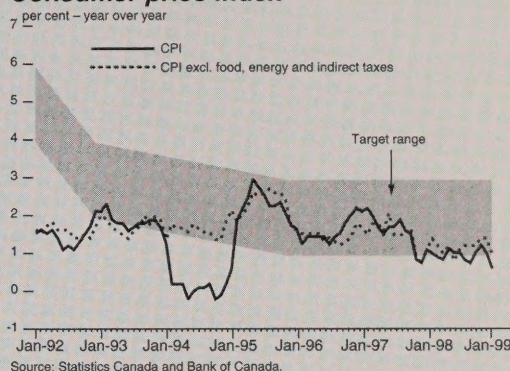
Canadian Economy

CA1
FN
- G51

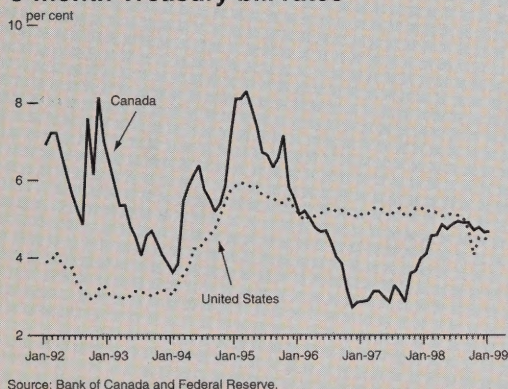
OECD economic forecast for Canada (December 1998)



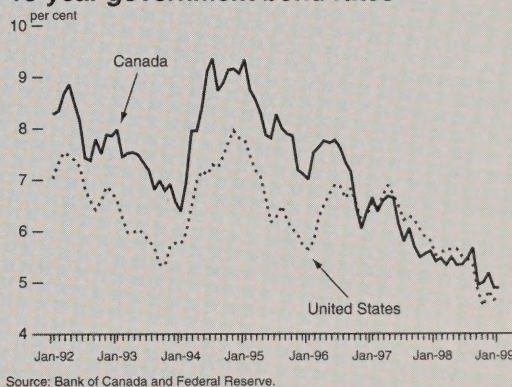
Consumer price index



3-month Treasury bill rates



10-year government bond rates



Upcoming economic data releases of interest

April

March Labour Force Survey
(April 9)

March CPI
(April 21)

May

April Labour Force Survey
(May 7)

April CPI
(May 21)

June

May Labour Force Survey
(June 4)

1999 Q1 National Accounts
(June 10)

May CPI
(June 18)



Government of Canada Securities

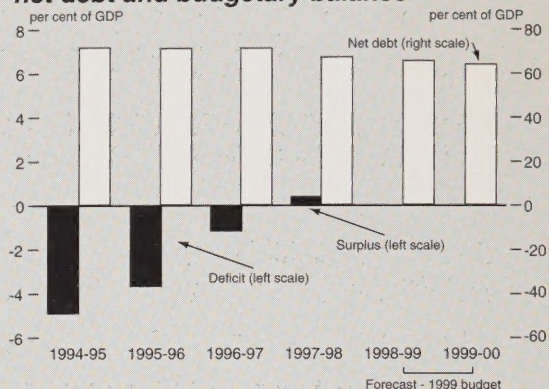
Canadian Economy

Selected Canadian economic statistics

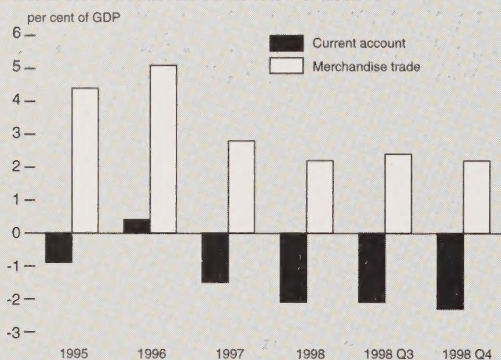
	1996	1997	1998	1998	
				Q3	Q4
Annualized growth rates					
Real gross domestic product	1.2	3.8	3.0	1.7	4.6
GDP excluding inventories	2.0	3.0	3.4	7.0	1.3
Final domestic demand	2.0	4.3	2.6	0.9	1.4
Employment	1.3	1.9	2.8	1.9	5.1
Other					
Unemployment rate	9.7	9.2	8.3	8.3	8.0
Current account balance (per cent of nominal GDP)	0.5	-1.5	-2.1	-2.1	-2.3

Source: Statistics Canada.

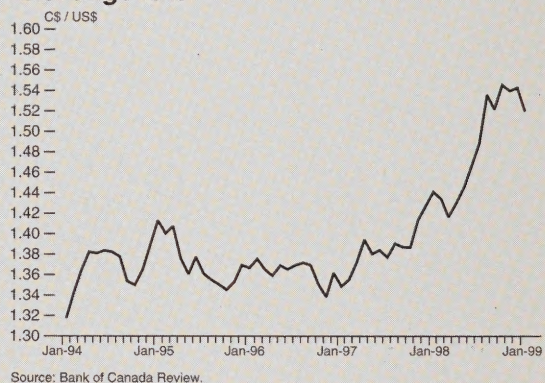
Government of Canada net debt and budgetary balance



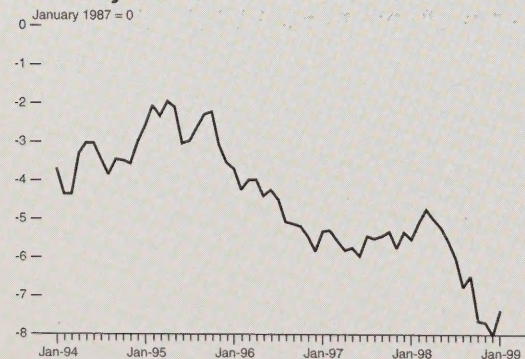
Canada's current account balance and merchandise trade balance



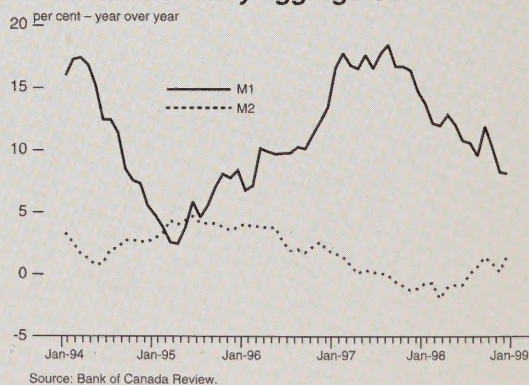
Exchange rate



Monetary conditions index



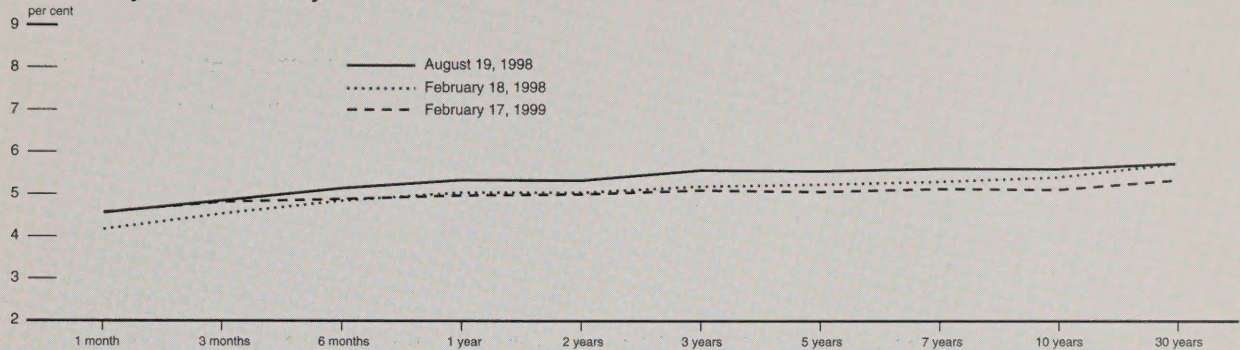
Canadian monetary aggregates



Government of Canada Securities

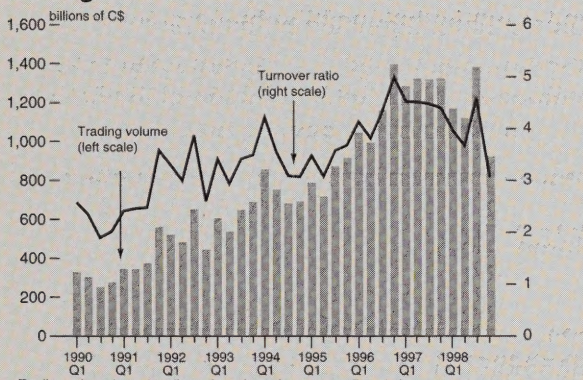
Secondary Market

Canadian yield-to-maturity curve



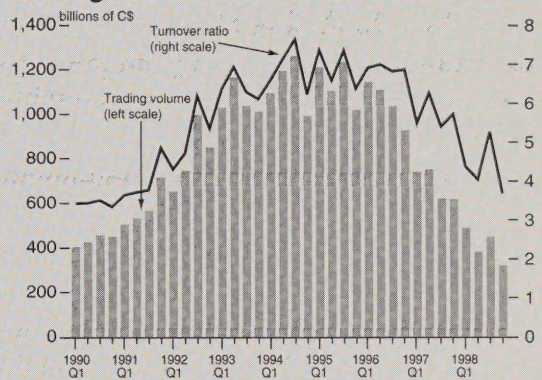
Source: Bank of Canada Review.

Government of Canada bonds trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
 Turnover ratio = total trading volume in each quarter/stock.
 Source: Bank of Canada.

Government of Canada Treasury bills trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
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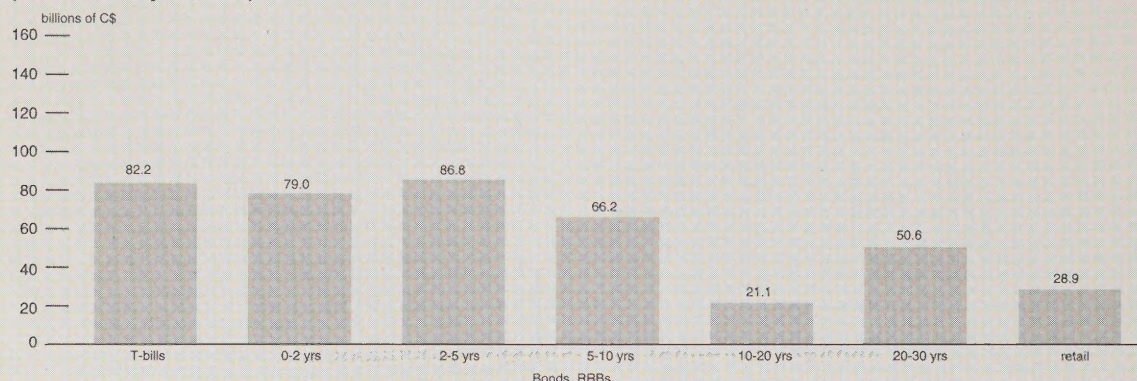
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Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of February 17, 1999)



Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail
	(years)		(%)	(millions of dollars)		(%)		(basis points)
1999-03-03	30	2001-12-31	4.00*	400	94.594	4.31	1.7	n.a.
1999-02-24	5	2001-09-04	5.00	2500	99.2	5.169	2.4	0.6
1999-02-10	10	2001-06-09	5.50	2300	103.285	5.085	2.71	0.4
1998-12-09	2	2001-06-01	4.50	3500	99.48	4.727	2.4	0.7

Coverage is defined as the ratio of total bids (incl. all on-competitive bids) at auction to the amount auctioned.

Tail is defined as the high accepted yield minus the average yield.

*Real Return Bonds.

Source: Department of Finance.

Forthcoming Government of Canada bond auctions

Type of issue	Auction date (1999)	Further details of issue (1999)	Dated and delivered (1999)	Amount maturing
				(millions of dollars)
30-year auction	April 28	April 22	May 3	—
10-year auction	May 12	May 6	May 17	—
5-year auction	May 26	May 20	June 1	—
RRB auction*	June 2	May 27	June 8	—
2-year auction	June 9	June 3	June 15	—

*Single-price auction format.

Note: One repurchase operation of Government of Canada marketable bonds is planned under the pilot bond buyback program in the 5-year sector. Further details will be released on May 20, 1999.

Government of Canada Securities

Primary Market

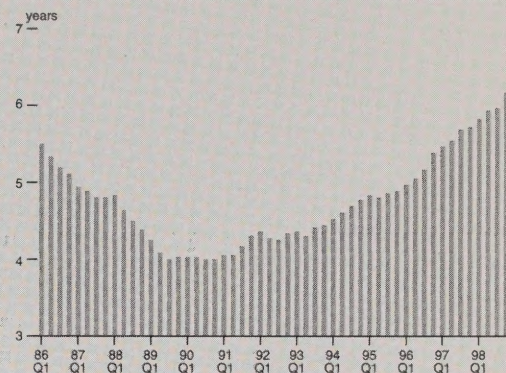
Government of Canada bond market benchmarks (February 24, 1999)

Term	Maturity	Coupon	Amount outstanding	Yield
		(%)	(millions of dollars)	Feb. 24/99 (%)
Fixed coupon				
2-year	Dec 1/00	5.00	7,000	5.17
5-year	Sep 1/03	5.25	9,700	5.22
10-year	Jun 1/08	6.00	9,200	5.26
30-year	Jun 1/27	8.00	9,600	5.43
Real return				
30-year	Dec 1/26	4.25	5,250	4.13

The normal bid-ask spread on these bonds is 5 cents.

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Forthcoming Government of Canada marketable bond maturities

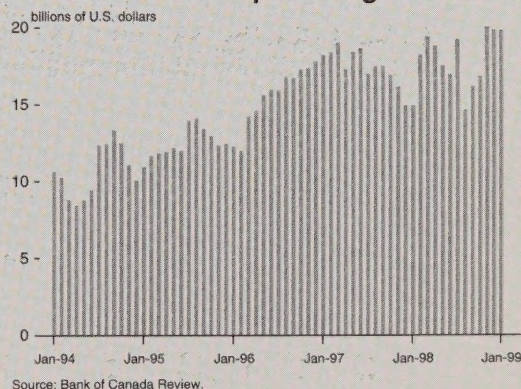
January-March 1999	April-June 1999	July-September 1999	October-December 1999	January-March 2000
(millions of dollars)				
12,700	0	21,100	3,752.5	20,050

Outstanding Government of Canada / Foreign-currency debt (as of January 31, 1999)

	(millions)
Canada Bills	US\$5,579
Canada Notes	US\$416
Outstanding under EMTN program	US\$2,821
Floating rate note maturing February 1999 (paying LIBOR less 25 basis points)	US\$2,000
6 ½% US\$ bonds maturing May 30, 2000	US\$1,500
6 ½% US\$ bonds maturing May 30, 2001	US\$1,000
6 ½% US\$ bonds maturing July 15, 2002	US\$1,000
5 ½% US\$ bonds maturing February 19, 2003	US\$2,000
6 ½% US\$ bonds maturing July 21, 2005	US\$1,500
6 ½% US\$ bonds maturing August 28, 2006	US\$1,000
6 ½% NZ\$ bonds maturing October 3, 2007	US\$319
4 ½% DM bonds maturing July 7, 2008	US\$2,200
5 ½% US\$ bonds maturing November 5, 2008	US\$2,500

Source: Department of Finance.

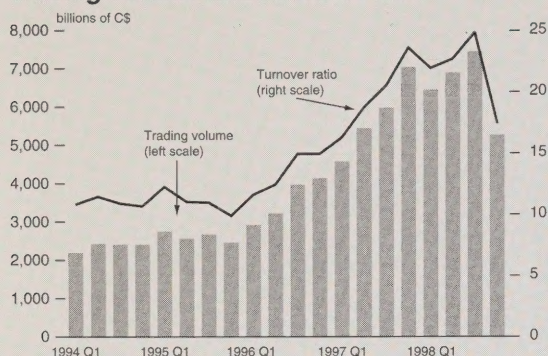
Canada's level of liquid foreign reserves



Government of Canada Securities

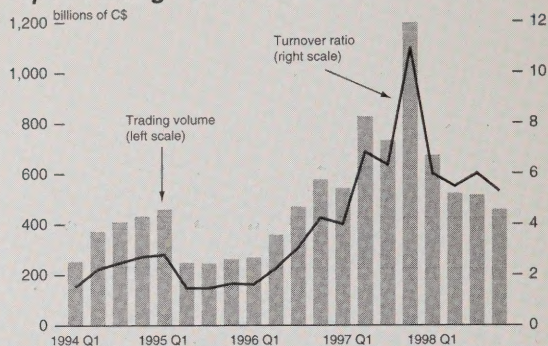
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



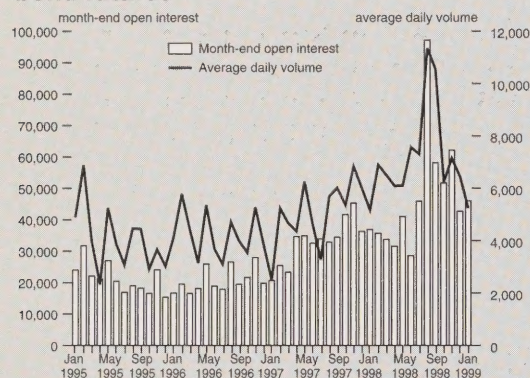
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Source: Bank of Canada.

Government of Canada Treasury bill repos trading volume and turnover ratio



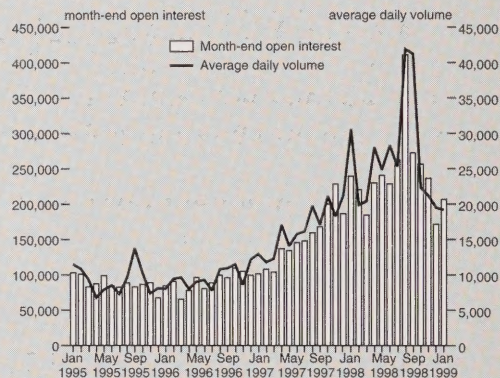
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard and Poor's Current	Moody's Investor Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
Domestic Debt	AAA	Aa1	AA+	AAA
- Trend	Stable	-	Stable	Stable
Foreign Debt	AA+	Aa2	AA+	AA(high)
- Trend	Stable	-	Stable	Stable

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Except as noted, the information in **Government of Canada Securities** is based upon data available as of February 26, 1999.

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